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**Summary of Call #5
Residential, Commercial, and Industrial Technical Work Group
November 10, 2005, 9:00am – 10:30am**

Attendance:

1. Technical Working Group members:
 - Kate Whalen (for Susan Culp) – Arizona League of Conservation Voters
 - Jeff Homer – General Dynamics
 - Ken Evans (for Kevin Kinsall) – Phelps Dodge
 - Tim Higgs (for Tim Mohin) – Intel Corporation
 - Amanda Ormond – Grand Canyon Trust
 - Suzanne Pfister – St. Joseph's Hospital
 - Jeff Schlegel – Southwest Energy Efficiency Project
 - Brian O'Donnell (for Penny Allee Taylor) – Southwest Gas
 - Richard Tobin – Lewis and Rocha
2. ADEQ staff: Kurt Maurer
3. Center for Climate Strategies (CCS) staff: David von Hippel, Michael Lazarus
4. Other Attendees:
 - Rebecca Chavez, Tucson Electric Power; David Jallo, Arizona Public Service

Background documents:

(all posted at <http://www.azclimatechange.us/documents.cfm>, click on RCI)

1. Meeting Notice and Agenda
2. Summary of RCI TWG Call#4
3. Powerpoint presentation for meeting
4. RCI GHG Reduction Opportunities (updated policy matrix)
5. AZ CCAG Policy Template
6. CCS Memorandum – Projected Growth Rates for AZ Electric Sales

Discussion items and key issues:

1. Projected Growth Rates for AZ Electric Sales

- a. The TWG discussed the memo provided by the CCS team, which notes that while the draft inventory/projection assumes 3% annual sales growth through 2020, some utility forecasts are higher especially in the near term, ranging from 3 to 4% through 2011. In comparison, statewide sales growth averaged 3.4% annually from 1990-2003 (EIA data). Dave Jallo discussed recent APS sales data which suggest recent 3.0 to 3.2% growth in their service territory. Rebecca Chavez noted that their higher growth projections (3.5-4.0%/yr) include Unisource as well as TEP. Jeff Schlegel suggested using a 3.75% growth rate statewide, while Jeff Homer suggested 4.0%. Michael Lazarus suggested that given the challenges in agreeing to a single figure at present, that the CCS team carry forward a range of 3 to 4% for now.
2. Further Discussion of RCI GHG Reduction Policy Options Matrix.
 - a. But for the Solid Waste sector, the TWG completed the priority rankings for the previously unranked options in the matrix (starting with option 8.4), and provided some suggested consolidations (including, for example, an agreement that options in Category 10 (Other) could be combined with options that had already been discussed and ranked) and text changes. These rankings and changes have been incorporated into the updated matrix.
 - b. Since the TWG does not include any members with specific Solid Waste expertise, it was agreed that the CCS team will confer with members of other TWGs who may have relevant solid waste management responsibilities/expertise to inform the ranking and further analysis of these options.
3. Policy Design Template
 - a. CCS described the process that the TWG will use in the next phase of calls, using the policy design template to more fully characterize the parameters that will be used to evaluate options that the TWG has ranked High for analysis. It was noted that the TWG currently has ranked 13 such options, with several more in the High-Medium category.
 - b. It was proposed that a “second culling” of the list be done to prioritize the options that the TWG really wants to focus on. With that in mind, CCS agreed to develop a memo that further consolidates the list, exposing any potential overlaps and economies of scale that could reduce the amount of research needed to complete the design template. The memo will be available to members in advance of the next call, scheduled for Dec. 1.

In wrapping up the meeting, Michael Lazarus noted it will be challenging for the four TWGs to complete the policy design templates before the Dec. 12 CCAG meeting. Ideally, the RCI TWG could focus on one or two options or bundled sets of options and more fully develop those for that CCAG meeting. Jeff Schlegel noted that this could be done already without waiting for CCS to complete its memo. Members agreed to begin looking at those at the next call.

Next steps and agreements:

1. The CCS team will confer with members of other TWGs who may have relevant solid waste management responsibilities/expertise to inform the ranking and further analysis of these options.
2. The CCS team will circulate a memo describing potential consolidation of the high and medium/high options.
3. TWG members will provide feedback on the memo and on potential design options for the high priority policies prior to the December 1 call (e.g., by November 23rd).
4. **Next TWG call (Call #6): December 1 from 8:30 to 10:00am**
PLEASE NOTE EARLIER START TIME!